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Written Testimony of Representative Debbie Dingell (MI-12)
Make It in America: What's Next?
PANEL 3: The Future of Manufacturing

Mr. Chairman and my distinguished colleagues, thank you for inviting me here to discuss the Future of Manufacturing. This issue is critical not only to the men and women of Southeast Michigan, which my district represents, but also to people across the country.

Manufacturing is the backbone of the nation's economy. As Henry Ford recognized in offering the revolutionary $5 workday, manufacturing jobs have been a pathway to the middle class for millions of families for decades.

Nearly one hundred years later, manufacturing jobs continue to provide hardworking families a chance to get ahead. But, we have challenges to overcome in providing that opportunity to everyone. Failed trade agreements cost our nation more than 5 million jobs over the last two decades – most in the manufacturing sector. Things are beginning to turn around in Michigan and across the country, thanks to good public policy, new technologies, and our always quality workforce. Domestic auto sales are reaching their highest levels in years, and American vehicles are again gaining in market share.

To continue to grow our manufacturing sector, we must do more.

One successful program has been the creation of the National Network for Manufacturing Innovation to bring together companies, workers, and cutting edge researchers. In Michigan, we're lucky to have the Lightweight Innovations for Tomorrow Institute (LITE), which opened six months ago as a partnership between the Navy and nearly 50 other government, academic, and private sector entities. The institute is beginning to study difficult 21st Century questions, like the challenges of joining dissimilar metals and manufacturing thinner, stronger lightweight parts.

This is just the beginning. We must come together, as President Obama has proposed, to expand these centers into new areas of research and new regions of the country.

We must also do more to support emerging manufacturers as they begin to bring their product to market, especially in the scale-up phase. Experts often cite the case of flat-panel display production, where the United States lost out to foreign competition, and continues to lag behind today.

In 2013, MIT conducted a study that found many early stage U.S. manufacturers were forced to locate overseas, where foreign governments offer deep subsidies and supportive policies, to move their products from prototype to full-scale production. As a result, the critical benefits of having our nation lead a new generation of products to market were lost, and the benefits were gained by other nations.

Scaling up advanced manufacturing projects is different than many other industries. While Silicon Valley is awash in venture capitalists and other private sector funders, emerging manufacturers often do not have access to a similar capital structure. There are a number of reasons for this, but unlike building a new app, construction of a new production facility requires a big capital commitment – up to $100 million – and the payback timeline is often up to 10 years, whereas non-manufacturing projects require less capital and have much shorter payback timelines.

Manufacturing has always been the heart of Michigan. It built the middle class and we owe it our young entrepreneurs and manufacturers to help them build their businesses here in the United States.

In 2014, the President's Advanced Manufacturing Partnership 2.0 (AMP 2.0) Committee recommended we establish a public-private partnership to provide funding to scale up manufacturing projects. A fund like this could be modeled after the successful TIFIA (Transportation Infrastructure Finance and Innovation Act) or SBIC (Small Business Investment Company) models, which combine public and private funds with a market-driven mechanism to select project recipients.

Let's join together to get this public-private partnership funded, and help these new advanced manufacturing jobs get created here in the United States, where we have the best workers in the world.

Finally, although our time is limited today, there are many other things we can do help build a strong future for manufacturing in the United States. We can strengthen our manufacturing workforce, encourage new innovative research, and modernize our tax code. I want to work with you and our colleagues on these issues as well.

In summary, as we work to build advanced manufacturing projects – such as our next generation of vehicles – it's critical for the United States to lead the world. Let's do all we can to help our next generation of manufacturers – and the hardworking folks they employ – have an opportunity to get ahead in the 21st Century. Thank you for your invitation to testify, and I welcome your questions.